

PX 123

Message

From: [REDACTED]@ripple.com]
on behalf of [REDACTED]@ripple.com> [REDACTED]@ripple.com]
Sent: 9/28/2015 12:43:28 PM
To: Monica Long [REDACTED]@ripple.com]
CC: [REDACTED]@ripple.com]; Antoinette O'Gorman [REDACTED]@ripple.com]
Subject: Re: Code of Conduct and Corporate Bylaws
Attachments: Updated Ripple Code of Conduct - Sept 2015.pdf

Hi Monica -

Here is an updated version of the Code of Conduct. All I did here was change Ripple Labs to Ripple, but I'm ccing [REDACTED] and Antoinette here as a heads up that we will probably need to revisit it for any necessary revisions to processes/procedures, as I didn't touch any of that.

The other thing that we need to change in there is the name of our ethics point anonymous hotline, seeing as the URL still reads Ripple Labs. I am not sure how easy this will be to fix. Unfortunately, [REDACTED] was point on this and I don't have any information about how to change it. Perhaps Antoinette might have some information she left behind?

[REDACTED] and Antoinette - let's all touch base when Antoinette returns from her trip.

Best,

[REDACTED]
[REDACTED]

On Mon, Sep 21, 2015 at 11:16 AM, Monica Long <[REDACTED]@ripple.com> wrote:

Hi [REDACTED]

For our rebrand on the 6th, we need to update the Code of Conduct and Corporate Bylaws to replace "Ripple Labs" with "Ripple." Can you please do so and send the updated copies to me and Ben by Oct 2?

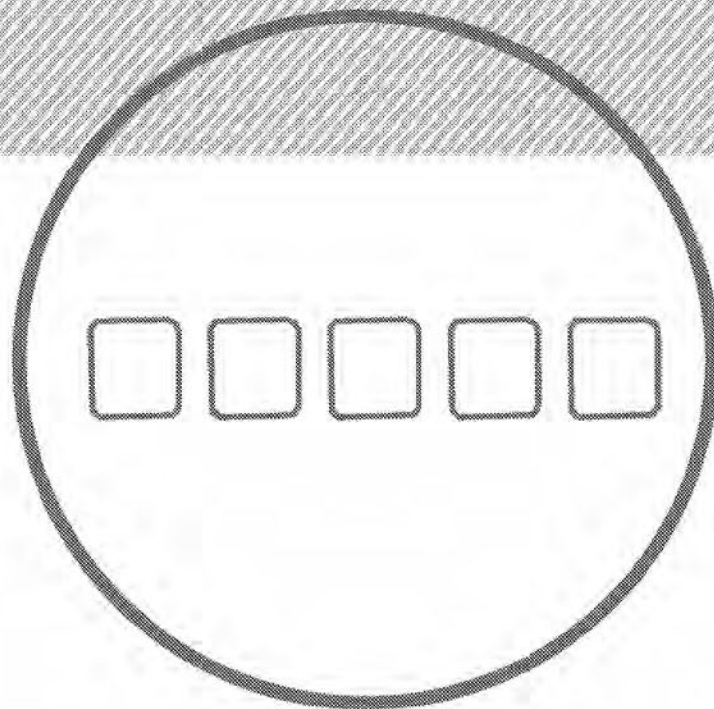
Also, if there's anything else in those docs that needs updating, now would be a good time.

Thank you!

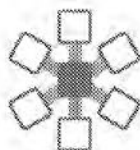
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[REDACTED] Regulatory Relations Specialist

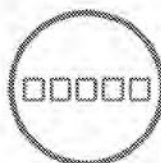
[REDACTED]



Ripple Code of Conduct: September 2015



Market Makers



Financial Institutions



Developers

I. The Statement of Values

WE HAVE FOUR PRIMARY VALUES THAT REPRESENT WHAT RIPPLE BELIEVES AS A TEAM AND FORM THE BASIS FOR EVERYTHING WE DO:

1. Openness

Ripple is an open-source protocol. We value transparency with each other and with the world.

2. Constructiveness

We're builders, not disruptors. The Ripple protocol provides the technology infrastructure onto which new payment systems can emerge and established payment systems, regulations, and institutions can migrate.

3. Inclusiveness

Ripple does not discriminate in hiring and engineering practices. We build for the world, not just for ourselves.

4. Humility

Ripple recognizes that developers and enterprises are the true innovators building and expanding the value web. Employees of Ripple are not focused on who's right; rather, what's right.

II. The Code of Conduct

Introduction

The reputation and good name of Ripple depend entirely upon the honesty and integrity of each employee and all those closely associated with the company.

This Code of Conduct applies in its entirety to all Ripple employees. Certain provisions of the Code of Conduct appropriately extend beyond employees to cover the Board of Directors, contractors, founders, investors, and advisors ("Insiders").

It would be virtually impossible to cite examples of every type of activity that might give rise to a question of unethical conduct. Therefore, it is important that each employee and every Insider to the company exercise good judgment in the performance of his or her duties and responsibilities. When those situations occur where the proper course of action is unclear, employees must request advice and counsel from their department heads or the Head of HR/ People Operations at Ripple, who can be contacted via email at hr@ripple.com. Contractors in need of advice regarding ethical questions should consult with an officer of Ripple, and other Insiders should consult with the Board.

1. Treating Others with Dignity and Respect

The following provision applies to all Ripple Insiders:

Respecting others, appreciating diverse points of view and making decisions based on merit are predicated on our core values. We are committed to providing a professional work environment that promotes equal opportunity, dignity and respect. Our policy ensures equal employment opportunity without discrimination or harassment on the basis of race, color, religion, age, gender, gender identity, sexual orientation, national origin, citizenship, disability, marital and civil partnership and union status, pregnancy (including unlawful discrimination on the basis of a legally protected pregnancy or maternity leave), veteran status or any other characteristic protected by law.

We expect that all relationships in the workplace will be free of bias, harassment and violence. Ripple strictly prohibits and will not tolerate any form of sexual harassment or job discrimination. Such conduct is unacceptable in the workplace as well as in any work-related setting outside of the workplace.

2. Insider Purchase, Sale and Holdings of XRP

XRP and the Ripple Protocol

XRP is a math-based currency that is native to the Ripple protocol. The inventors of the Ripple protocol created 100 billion XRP at its inception, and gifted 80 billion of the 100 billion XRP to Ripple. No more can ever be created according to the protocol's rules.

Ripple reserves approximately 25 billion XRP to fund its operations, and distributes the balance. Our goal in distributing XRP is to incentivize actions that build trust, utility and liquidity in Ripple.

II. The Code of Conduct

Acting Ethically and Transparently

It is imperative that all Ripple employees, contractors, founders, Board members, investors, and advisors act ethically and transparently with respect to purchases, sales, and holdings of XRP, in alignment with the goal of building and maintaining public trust in Ripple.

Purchase, Sale and Disclosure of Holding XRP

The following requirements apply to all Ripple Insiders:

Disclosure of Accounts - Insiders must disclose personal XRP holdings and accounts to Ripple's Risk and Compliance function.

The Risk and Compliance Function will treat information about Insider XRP holdings and accounts with confidentiality. Internal access to this information is restricted to a limited number of compliance, risk and control staff. In addition, this information will normally be maintained in an anonymized form and used for purposes of auditing and monitoring Insider transactions only.

XRP Giveaways - Insiders may not participate in XRP "giveaways" hosted or promoted by the Company.

Purchase and Sale of XRP - Insiders should avoid activity that could impair the integrity or reputation of Ripple or disadvantage other users of the protocol. For this reason:

- Insiders may not buy, sell, recommend or trade XRP, either personally or on behalf of someone else, under circumstances that could appear unfair to the wider Ripple community and non-Insiders generally. This includes situations in which Insiders have access to information about Ripple or the Ripple protocol that has not been publicly announced, and which might reasonably affect the decision to buy or sell XRP.
- The Company may from time to time designate certain time periods as "restricted" periods if in the judgment of executive management, a coming announcement or other event may significantly affect the trading price of XRP. During such restricted periods, Insiders may not buy, sell, trade or recommend XRP. At other times, Insiders are responsible for exercising their judgment as to whether trading XRP is appropriate.
- Insiders may not buy, sell, recommend, or trade XRP valued in excess of \$100,000, either personally or on behalf of someone else, without approval from the Ripple Controller, Compliance Team, and a direct supervisor.

Following are examples of situations in which it would be inappropriate for Insiders to buy, sell, trade, or recommend XRP:

- Prior to public announcements of new bank partnerships
- Prior to public announcements relating to adverse regulatory actions

II. The Code of Conduct

- Prior to public announcements regarding other significant partnerships (e.g. financial coalitions)
- Prior to public announcements relating to CEO or founders' XRP movement

Following are examples of situations in which it would be appropriate for Insiders to buy, sell, trade, or recommend XRP:

- Purchasing XRP pursuant to a documented automatic investment program, or a standing order locked in at a specific price
- Small transactions in regular course of business (under \$3,000 or the equivalent in XRP)
- Purchasing (less than \$100,000 worth of XRP per month) due to general confidence in Ripple team members, and confidence in the company itself

Failing to comply with these restrictions may be grounds for disciplinary action, including termination of association with Ripple. Depending on the severity of the breach of fiduciary responsibility, further legal and financial penalties may apply.

3. Compliance with Anti-Money Laundering Laws

The following provision applies to all Ripple Insiders:

Ripple is firmly committed to the prevention of money laundering and terrorist financing activities, and to compliance with applicable anti-money laundering laws, including the Bank Secrecy Act and the USA PATRIOT Act. Money laundering is the process by which individuals attempt to conceal the true origin and ownership of the proceeds of illegal activities. If undertaken successfully, control may be maintained over the proceeds, and ultimately, a cover provided for the source of illegal activities. Violating these laws is strictly prohibited.

Failure to comply with anti-money laundering laws may be grounds for disciplinary action, including termination of association with Ripple and may be a violation of the law. Depending on the severity of the breach of fiduciary responsibility, the company may report such activities to governmental agencies, and further legal and financial penalties may apply.

4. Company Property and Information

The following provision applies to all Ripple Insiders:

Company Property - An employee has a duty to protect and conserve Company property and ensure its use for proper purposes.

II. The Code of Conduct

Company Information - Ripple created and supports the Ripple protocol, an open-source, distributed payments protocol. This work of Ripple includes producing additional open source software products for use by developers and users of the network. While we do strive to be as open as possible, we do maintain certain confidential information.

Knowing what information should be kept confidential and what can be disclosed is a skill that every employee and all other Insiders should master. When in doubt about the confidentiality of particular information, employees and contractors should verify with an officer of Ripple that the information can be shared before doing so; other Insiders should consult with the CEO or a member of the Board.

Employees and other Insiders must strictly preserve the confidentiality of non-public information to which they have access that is designated as confidential, private or proprietary. It can be disclosed only as required for Company purposes and only as authorized.

Use of Non-Public Information for Private Gain - Employees and other Insiders may not use non-public information for any purpose other than Ripple business. An employee or other Insider may not allow the improper use of such non-public information to further his or her own private interest or that of another person, whether through advice, recommendation, or a knowing, unauthorized disclosure.

5. Conflicts of Interest

The term "conflict of interest" describes any circumstances that could cast doubt on an Insider's ability to act with objectivity with regard to Ripple's interest. The following provision applies to all Ripple Insiders, who are expected to avoid actions or involvements that could compromise their ability to act on behalf of Ripple.

Activities that could raise a question of conflict of interest include, but are not limited to the following:

- o To conduct business on behalf of Ripple with a member of the Insider's family or a business organization in which the Insider or a member of his or her family has a significant association, which could give rise to a conflict of interest, without first obtaining written approval. Employees and contractors should obtain such approval from an officer of Ripple; other Insiders should obtain approval from the Board.
- o To serve as a director, board member or in an advisory or consultative, technical or managerial capacity for any non-affiliated business organization, government agency or industry group that interacts or does business with Ripple, is a

II. The Code of Conduct

competitor of Ripple, or is a client of Ripple without disclosing that affiliation. Employees and contractors should disclose such affiliations to People Operations; other Insiders should disclose such affiliations to the Board.

- o To accept any position outside Ripple which interferes with the proper performance of his or her duties.
- o To take advantage of any business opportunity which might be of interest to Ripple.

Disclosure of Investments – Ripple Insiders will disclose all investments in (1) third party companies that make material use of the Ripple protocol, or that interoperate with others that do so, and (2) competitors of Ripple. Employees and contractors should disclose such investments to the People Operations area of Ripple; other Insiders should disclose such investments to the Board. Ripple may at its discretion share disclosures of investments in third party companies with various audiences, including the media, other investors and advisors, or the management of incubator programs with which Ripple is associated.

Gifts, Gratuities and Business Courtesies – Ripple employees should avoid any actions that create a perception that favorable treatment of outside entities by the company was sought, received or given in exchange for personal business courtesies. Business courtesies include gifts, gratuities, meals, refreshments, entertainment or other benefits from persons or companies with whom Ripple does or may do business. Ripple will neither give nor accept business courtesies that constitute, or could reasonably be perceived as constituting, unfair business inducements that would violate law, regulation or the company's reputation.

Determining whether a conflict of interest exists is not always easy to do. Employees with a conflict of interest question should seek advice from executive management. Before engaging in any activity, transaction or relationship that might give rise to a conflict of interest, employees must seek review from their managers or People Operations.

6. Post Employment Activities

The following provision applies to all Ripple employees:

Non-public Information - An employee's duty to maintain the confidentiality of non-public information continues after his or her employment ends. An employee must leave all Company documents, files, computer diskettes, reports and records containing non-public information, and all copies of such information, with the Company when his or her employment ends.

II. The Code of Conduct

Solicitation of Employees - Upon leaving Ripple, former employees shall not seek to solicit employees of Ripple nor take any action to persuade employees to terminate their employment with Ripple for a period of twelve months.

7. Reporting and Required Absences

The following provision applies to all Ripple employees:

Reporting Violations of Law and Policy – Employees are encouraged to report violations of the law or Company policy. Violations should be reported to either:

- o the Chief Executive Officer, Christian Larsen,
- o the Chief Compliance Officer, Antoinette O’Gorman, or
- o anonymously via Ripple’s Navex Global reporting hotline: via phone 855.874.2657 or online at www.ripplelabs.ethicspoint.com.

All reports will be treated confidentially to the maximum extent consistent with the fair and rigorous enforcement of these standards. When Ripple investigates any report of a violation of the Code of Conduct and every employee must fully cooperate with the investigation, consistent with the employee’s rights under the law. Ripple will not permit retaliation against any employee for reporting potential violations.

Reporting a Violation Anonymously - Navex Global is a firm that supports company Compliance programs by offering a wide variety of services, including hotline reporting. Employees may report a violation anonymously to Navex Global via telephone or a link on the Ripple intranet.

Required Absences from Sensitive Positions - A basic principle of internal control for an organization operating in the area of financial services is to ensure that employees in sensitive positions be absent from their duties for a minimum of two consecutive weeks. Examples of employees holding sensitive positions include those with authority to execute transactions, those with signing authority or who have reconciliation responsibilities. The requirement that such employees take sustained absences from their duties supports a strong internal control environment, because most financial frauds, embezzlements or similar kinds of wrongdoing require the continued presence of the wrongdoer in order to be carried out effectively.

People Operations, in coordination with Risk and Compliance, will designate those employees who hold sensitive positions. Employees designated as holding sensitive positions must be absent from their duties for a minimum of two consecutive weeks per year, and that absence must include denial of access to Ripple’s electronic systems and records.

Any exceptions to this requirement that may be necessary from time to time will be approved jointly by People Operations and Risk and Compliance and will be documented by People Operations.

II. The Code of Conduct

8. Employee Privacy

Ripple does not share employees' or other Insiders' personal information with companies, organizations or individuals outside the company without advance permission unless one of the following circumstances applies:

- We believe that is reasonably necessary to comply with a law, regulation or legal request
- To protect the safety of any person
- To address fraud, security or technical issues
- To protect Ripple's rights or property

However, nothing in this Policy is intended to limit any legal defenses or objections that you may have to a third party's, including a government's, request to disclose your information.

Ripple's policy is, when possible, to notify employees of requests for their account information, which includes a copy of the request, prior to disclosure, unless we are prohibited from doing so (e.g., an order under 18 U.S.C. § 2705(b)). Exceptions to prior notice may include exigent or counterproductive circumstances (e.g., emergencies; account compromises).